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18 December 1970

Project No. 51.5567

Economic Developments in North Vietnam  
During November 1970

Introduction

This monthly report reviews economic developments within North Vietnam, including the receipt of economic and military aid and the construction of military facilities. These developments are selected on the basis of their relevance to North Vietnam's ability to continue supporting the war in Indochina and to restore the economy and thus to their possible effect on the country's desire or need to negotiate a settlement of the current conflict.

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Agriculture

5. The harvesting of the tenth-month rice crop reportedly progressed more slowly than desired during November but the apparent delay is probably due at least partly to the increased acreage that must be harvested. Radio Hanoi reported on 24 November that 52 percent of the rice crop area had been harvested. According to the broadcast tens of thousands of cadres, students, teachers and troops are participating in the harvest. Meanwhile preparations are being made for the fifth-month rice crop and for subsidiary and industrial crop production. In late October the deputy minister of water conservation stated that acreage and crop output will increase in 1971 and the acreage devoted to the spring paddy crop will increase nearly twofold. As in other years the people were exhorted to initiate a mass campaign to improve irrigation facilities in order to conserve water during the current dry season.

Industry

Minor progress has been noted at the Thac Ba hydroelectric power plant project but no change has been noted in the status of other electric power facilities. No attempt has been noted as yet to repair the large Bac Giang Nitrogenous Fertilizer Plant or the Nam Dinh Textile Plant.

7. North Vietnam signed aid agreements for 1971 with Czechoslovakia, Bulgaria, Romania and North Korea during the month. The North Vietnamese aid-seeking delegation, headed by Nguyen Con, concluded the agreements with Czechoslovakia and North Korea after having concluded agreements with Communist China and the Soviet Union in October. In a marked departure from the procedure followed since 1966 the delegation returned to Hanoi without signing aid agreements with the other East European countries. Bulgarian and Romanian delegations signed aid agreements in Hanoi in November but there has been no indication as yet of an aid agreement being concluded between North Vietnam and East Germany, Hungary and Poland for 1971.

8. East Germany is North Vietnam's largest East European aid supplier while Poland provides most of the shipping capacity for the transport of East European goods to Haiphong. All three countries are providing training for large numbers of North Vietnamese students. The

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lack of an agreement in October and November, however, does not necessarily indicate that an agreement for 1971 will not be forthcoming eventually. Prior to 1965 it was not unusual for North Vietnam to sign trade and aid agreements with East European countries early in the same year the agreement encompasses.

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Conclusions

12. There have been no military or economic developments observed during the month which suggest that a weakening in North Vietnam's current negotiating position is imminent. On the contrary the country continues to make efforts to strengthen its military and logistics capability, the economy continues its slow recovery, and the other Communists countries continue to provide North Vietnam with material aid.

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14. The tenth month rice harvest is not progressing as quickly as desired but the delay in the percentage of the area harvested seems to be due to a larger acreage devoted to the rice crop. Activities related to the production of the less important fifth month rice crop and the production of the bulk of North Vietnam's subsidiary foodstuffs and industrial crops are now underway.

15. Industrial recovery moved at a very slow pace during the month. Minor construction activity was noted at Thac Ba, the Soviet-aided power project; but no other industrial construction activity was noted.

16. The aid-seeking delegation, headed by Nguyen Con, signed 1971 aid agreements with Czechoslovakia and North Korea during November and then returned to Hanoi. Romanian and Bulgarian delegations signed aid agreements in Hanoi, but so far no 1971 aid agreements have been signed with East Germany, Poland and Hungary.



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